

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D. C. 20554**

In the Matter of)	
)	
Numbering Resource Optimization)	CC Docket No. 99-200

COMMENTS OF CINCINNATI BELL TELEPHONE COMPANY

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July 30, 1999

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SUMMARY

The Commission in this NPRM examines measures to increase the efficiency with which telecommunications carriers use telephone numbering resources and seeks comments on how to create national standards for numbering resource optimization. CBT comments on several of the administrative and technical measures the Commission examines.

CBT supports revisions to some of the administrative provisions examined in the NPRM, however, recommends against the codification of the administrative guidelines. Although CBT recommends that certain verification, reporting, auditing and enforcement guidelines be strengthened, CBT cautions that the cost of any such measures must be kept to a minimum so as not to offset the relatively minimal contribution these measures will make towards the goal of number conservation and optimization.

CBT recommends that the state commissions examine the costs and benefits of rate center consolidation for each ILEC region in their states. Where the analysis indicates that the benefits of rate center consolidation exceed the costs, it should be deployed to the fullest extent possible before a state mandates number pooling in the particular region. Where number pooling is deemed necessary, it should be limited to thousands-block pooling. In addition, CBT submits that an ILEC's costs of number pooling should be recovered from end-users through a temporary, flat-rate charge which would be coupled with the existing number portability charge.

CBT also supports a national policy in favor of ten-digit dialing, and believes that it can make a significant contribution to number optimization efforts.

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These comments are submitted on behalf of Cincinnati Bell Telephone Company (“CBT”), an independent, mid-size local exchange carrier in response to the Commission’s June 2, 1999 Notice of Proposed Rulemaking (“NPRM”) in the above-captioned proceeding.¹

I. INTRODUCTION

This NPRM examines a variety of measures intended to increase the efficiency with which telecommunications carriers use telephone numbering resources, and seeks comment on how to create national standards for numbering resource optimization. More specifically, the NPRM examines a variety of administrative and technical measures to promote more efficient allocation and use of NANP resources. The Commission’s task is to weigh the costs and benefits of each measure and determine which measures represent a viable means to numbering conservation. Some of the administrative measures may generate considerable customer dissatisfaction while doing very little to solve the numbering problem. Other measures, such as number pooling, address the numbering conservation problem on a larger scale, but should be pursued cautiously due to the significant financial costs to the industry and consumers.

¹ Numbering Resource Optimization, CC Docket No. 99-200, Notice of Proposed Rulemaking, (FCC 99-122), released June 2, 1999.

CBT agrees with the Commission's assessment that the significant societal and financial costs associated with the continual implementation of new area codes necessitates action by the Commission to ensure that telecommunications numbering resources are administered more efficiently.(NPRM at ¶25) However, CBT recommends that the Commission proceed cautiously before mandating costly solutions such as number pooling. Rather, the Commission should wait until other simpler and perhaps less costly solutions, such as rate center consolidation, have been implemented to the widest extent possible.

II. MODIFICATIONS TO ADMINISTRATIVE MEASURES REPRESENT A SMALL PART OF THE SOLUTION

The NPRM reviews a number of administrative measures, including establishing uniform definitions, verification, reporting requirements, and enforcement procedures to ensure that companies are accurately reporting their use of number resources. While CBT supports certain modification to some administrative measures, it expects that the impact of any administrative modifications is likely to represent a minor part of the overall resolution of the numbering resource problem.

A. DEFINITIONS OF CATEGORIES OF NUMBER USAGE

1. Definitions Should Be Uniform, But Not Codified

CBT concurs with the NPRM's tentative conclusion that a uniform set of definitions for the status of numbers should be established. Uniformity is necessary to ensure that number conservation measures are applied in a competitively neutral manner to all carriers. If carriers use different definitions, reporting of used and unused numbers would be inconsistent; as a result, any measures taken to analyze number utilization by carriers would be inherently flawed.

CBT supports uniform definitions, but CBT does not believe that it is necessary for the Commission to codify the definitions. Instead, uniform definitions should be incorporated into the CO Code Guidelines and the Thousand Block Pooling Guidelines as recommended by the Industry Numbering Committee (“INC”). Moreover, by choosing not to codify the definitions, the industry will be able to respond in a more timely fashion when changes are deemed necessary. Otherwise, whenever a change is required, the INC or other industry group, will be required to make a recommendation to the Commission to open a rulemaking proceeding. As a result, even the simplest changes could potentially take a significant amount of time.

2. Revised Definitions

CBT believes that the number conservation impact of most of the definition revisions suggested in this NPRM is likely to be inconsequential on the overall solution to the numbering problem. Therefore, the revisions suggested will result in an insignificant contribution to extending the life of the NANP. Thus, CBT recommends that the Commission not expend its resources revising definitions, but rather concentrate its efforts on measures that have the potential to significantly impact number conservation and optimization. Furthermore, although some of the suggested revisions may free up some numbers, CBT believes that in many cases, the costs (financial and societal) of the changes suggested in the NPRM would far outweigh the benefits associated therewith. Nonetheless, CBT offers comments on several of the definitions suggested in the NPRM. These comments do not mean that CBT supports codification of the definitions, but instead the following comments are intended to provide insight into the definitions, regardless of how they are ultimately used.

Aging number—The NPRM asks whether a limit should be set on the amount of time a number may remain in aging status. (NPRM at ¶ 42) Although setting an aging time limit may

free up some numbers for reuse sooner than they are currently available, the aging time limit will generate significant customer dissatisfaction that will likely outweigh the benefit of having the numbers available at an earlier date. CBT currently uses a 90 day aging interval for residential numbers, and a one year interval for business numbers. The one year aging interval is particularly important for business customers who rely on the telephone directory to direct callers to their business. Allowing businesses to continue the intercept messages for up to a year is crucial to ensuring that customers using the directories are properly advised of the number change until a new directory is published. A shorter aging period would generate ill will among the businesses who count on this intercept, and will likely create significant frustration among their potential customers. CBT believes that the negative impact of customer and business frustration would greatly outweigh any benefit that may result from freeing up these numbers at an earlier date. Likewise, similar frustrations will result if a number is released too soon. A residential or business customer that is re-assigned a number will become frustrated by having to answer calls that are intended for the previous holder of the number.

Assigned number—The NPRM considers the merits of limiting the time during which a customer service order may be considered pending, and suggests a 3 to 5 day time frame. (NPRM at ¶43) CBT foresees several problems with such limits. First, depending on the service and circumstances, it may take longer than 3 to 5 days to provision the service. Having a mandated limit on the number of days which a service order can be considered pending will ultimately increase costs since every order which surpasses the limit will cause the number to be reassigned. In addition, many customers, particularly business customers, need to have advance notice of the assigned number to notify key clients, vendors, and others. In most cases, 3 to 5 days would not provide adequate advance notice of the number to business or residential

customers. The financial and societal costs any such limit would impose on carriers and businesses due to dissatisfaction and confusion among businesses and their customers would likely outweigh any benefits to numbering optimization. A limit would also create customer dissatisfaction among those seasonal customers who only use service at a location for a few months, but expect to have the same number for use during the following season. For example, most seasonal customers, such as people with summer homes or businesses operating in seasonal resort areas, discontinue their service at the end of the season, and place an order for the next year at the same time. Placing a time limit on assigned numbers (or reserved numbers) would have a negative impact on these customers.

Ported-out number—The NPRM asks how ported-out numbers should be treated for reporting purposes. (NPRM at ¶ 45) While the customer remains with the ported-to carrier, both carriers should treat the number as unavailable for assignment. With regard to calculation of utilization levels, CBT submits that the original carrier (i.e., the porting carrier), not the ported-to carrier, should count the number as an assigned number for purposes of calculating its utilization level. The rationale for treating the number as an assigned number by the original carrier is based on the fact that if the customer leaves the ported-to carrier, the number will revert to the original carrier.

B. VERIFICATION OF NEED FOR NUMBERS

CBT supports certain verification measures to prevent carriers from obtaining numbers that will not be used in the near term. Although these measures alone cannot solve the long-term problem, they can make a significant difference in the short-term. As opposed to the definitional changes discussed above, the verification procedures will only yield positive results for end-user customers. Serious consideration should be given by the Commission to those measures that

require carriers to become more accountable in their acquisition and use of new codes without imposing substantial costs on carriers. Furthermore, these verification measures will yield benefits to end-user customers and carriers by extending the time between area code splits or overlays that will likely outweigh the additional costs imposed on carriers.

Initial code showing—CBT supports measures to ensure that initial codes obtained by new entrants are used within a reasonable timeframe. Specifically, CBT submits that new entrants, requesting initial codes, should be required to demonstrate that they have received authorization to provide service in that given region. The costs to the carrier associated with presenting evidence of authorization to the NANPA would be minimal. In addition, CBT recommends that the carrier certify that it intends to implement service in the rate center for which it applies for codes within six months. This time frame would allow the carrier ample time to put these codes into its system and begin marketing activities prior to providing service, while at the same time would eliminate those cases in which prospective carriers get codes many months before actually putting them into service.

Growth Codes—CBT supports the NPRM's tentative conclusion (NPRM at ¶60) that carriers seeking growth codes be required to provide data supporting their need to obtain additional numbering resources. CBT submits that a months-to-exhaust verification process is preferable to a utilization threshold. With strengthened Central Office Code Utilization Survey ("COCUS") forecasting requirements, audits and enforcement procedures, as well as more diligent application of reclamation guidelines, the months-to-exhaust verification will adequately prevent carriers from building excessive number inventories.

Use of a utilization level for assignment of growth codes would be very burdensome and costly for carriers as well as the NANPA. A uniform national utilization threshold would not be

appropriate since different types of carriers may justifiably have different utilization rates. In addition, different regions may exhibit different characteristics which could impact utilization. CBT submits that it would be impossible for the FCC and/or state commissions to develop utilization thresholds that would accurately factor in all of the variations among different carriers, services, regions, etc. Without representative thresholds, use of utilization thresholds for assignment of growth codes would not be competitively neutral. Regardless of the type of utilization threshold selected (e.g., uniform nationwide, type of carrier, regional etc.), CBT expects that the number of waivers carriers would file could be overwhelming to the FCC, the states, NANPA or whatever entity or entities would be charged with such reviews.

Reclamation of Codes--Cincinnati Bell believes that some modifications to the reclamation guidelines, coupled with more diligent enforcement of those guidelines by NANPA, will free up codes that would otherwise remain idle for a considerable amount of time. Specifically, CBT supports the suggestion in paragraph 98 of the NPRM that the definition of placing an NXX code "in service" be clarified to mean not just the activation of the code through transmission of local routing information to the LERG, but also that the carrier has begun to activate and assign end users numbers within the NXX code. CBT also supports a modification that would require the NANPA to initiate NXX code reclamation within 60 days of the expiration of the assignee's applicable activation deadline. (NPRM at ¶99)

C. REPORTING/RECORD-KEEPING, AUDITING AND ENFORCEMENT

In order to make the months-to-exhaust forecasts more meaningful, CBT supports mandatory semi-annual COCUS reporting, as well as reasonable auditing and enforcement of the reports. Semi-annual reporting represents a reasonable balancing of the benefit of more timely reporting versus costs to carriers. Semi-annual reporting will ensure that the information is not

out of date, but minimizes the costs to carriers and the NANPA relative to quarterly filings. Likewise, the benefits of the type of data to be collected must be balanced against the costs associated with compiling and reviewing the information imposed on carriers and NANPA. As a result, CBT submits that there is no need for data to be reported on each of the definitions contained in Section IV.B. of the NPRM. The only information that is needed to accurately monitor number utilization and forecasts is the telephone numbers available and unavailable for assignment. If, for some reason a carrier's forecasts or utilization raise concerns, the NANPA could request a carrier to submit more detailed data during the course of an audit.

As for the specificity of the data, the reporting should be limited to the rate center or NPA level. CBT is opposed to thousand-block level reporting until thousand-block number pooling is mandated in an area. To impose thousand-block level reporting on all carriers would be inefficient. Thousand-block level reporting would needlessly impose additional costs on carriers that might never have the need to participate in thousand-block pooling. As a result, such a requirement cannot be justified when NPA or rate center level data will suffice for monitoring and tracking purposes. A process can be implemented whereby if the more aggregated data indicates that pooling may be necessary in an area within a reasonable planning horizon, the NANPA can request that carriers serving that area begin to report on a thousand-block level.

CBT agrees with the Commission that the best method for verifying the validity and accuracy of the data submitted by carriers is through the use of audits. However, it is important to weigh the costs against the benefits of any audit program. CBT submits that a combination of for cause audits and random audits is sufficient to ensure carrier compliance with rules and/or guidelines adopted. On the other hand, regularly scheduled audits will be far more costly and are unlikely to generate substantially improved reporting.

To ensure that audits are unbiased, CBT offers the following principles. First, audits must only be conducted by single neutral third parties which are separate from NANPA, the Commission, and the state commissions. Second, for cause audits can only be triggered by anomalies in the information reported to NANPA and NANPA must thoroughly explain why any given anomaly justifies an audit. Under no circumstances should a for cause audit be initiated based on complaints or questions raised by other carriers. Allowing audits based on carrier complaints could lead to a system in which carriers abuse the audit process in an attempt to achieve a competitive advantage. Third, if random audits are employed, they must be truly random and pulled from the entire universe of reporting carriers. Random audits must not be targeted toward any particular type of carriers. Fourth, the costs of all audits should be considered a shared cost of numbering administration and thereby distributed amongst all carriers. However, if the final audit demonstrates that the audited carrier has blatantly reported inaccurate or misleading information in an attempt to secure additional numbers to which it would not otherwise have been entitled, and thereby has jeopardized the efficient use of numbering resources, the audited carrier must bear the cost of the audit.

CBT supports the NPRM's tentative conclusion that NANPA be empowered to withhold NXX codes as a sanction for violation of the CO Code Guidelines (NPRM at ¶92). However, sanctions must be limited to instances where it has been determined that the carrier has knowingly submitted inaccurate and/or incomplete data. Withholding of codes is not appropriate in instances where a carrier submits good faith forecasts that ultimately prove to be inaccurate.

III. RATE CENTER CONSOLIDATION SHOULD BE THOROUGHLY EXPLORED BEFORE POOLING IS IMPLEMENTED

As noted throughout the NPRM, an overriding concern of the Commission in this proceeding is the desire to weigh the costs and benefits of any potential solution to the number

exhaust problem. CBT strongly agrees that this must be the primary determinant of any and all components of the solution. As such, CBT submits that number pooling, due to the potentially significant implementation costs, should not be utilized until all other feasible number optimization measures are deployed to the fullest extent possible.

A. STATE COMMISSIONS AND CARRIERS MUST WORK TOGETHER TO ADDRESS RATE CENTER CONSOLIDATION

CBT submits that rate center consolidation can significantly reduce the demand for NXX codes in certain areas, and should be utilized where feasible, before number pooling is mandated. The costs and benefits of rate center consolidation will vary by area; therefore, state commissions should assess the impact of rate center consolidation separately for each ILEC region in their states.

In order to encourage rate center consolidation, CBT recommends that pooling not be mandated in an area until rate center consolidation has been addressed. CBT submits that before a state commission mandates pooling it should issue a report thoroughly examining the benefits and costs of consolidating rate centers in the area in question.

B. POOLING, IF REQUIRED, SHOULD BE RESTRICTED TO THOUSANDS-BLOCK POOLING

CBT submits that it would be inappropriate and unjustifiable for the Commission to mandate number pooling on a nationwide basis at this time. The availability of numbering resources varies greatly by area; therefore, the decision to implement number pooling is best left to the states. However, CBT submits that the FCC should establish standards to guide the states when implementing number pooling.

First, number pooling should be restricted to thousands-block number pooling. CBT agrees with the Commission that the uncertainty of how Individual Telephone Number pooling

(“ITN”) would work, as the Commission observes at paragraph 141 of the NPRM, should preclude its use. (NPRM at ¶141) Unassigned Number Porting (“UNP”) should also be eliminated as a viable option due to the potentially disruptive effects it could have on carrier systems. Furthermore, there must be some consistency between regions and carriers. Having different types of pooling in different areas will increase the costs of pooling across the industry. For example, if some states implement thousands-block pooling, some mandate ITN, and others allow UNP, a carrier operating in multiple states will be required to adapt systems to handle each type of pooling. It seems intuitively obvious that savings would be realized if a carrier only needs to develop systems to handle one type of pooling. This consistency can be achieved if all areas and carriers are subject to the same pooling methodology. Since thousands-block pooling technical and administrative standards are more fully developed, CBT recommends that it should be adopted as the pooling method when a state commission determines that pooling is required in an area.

Second, number pooling should not be mandated in an area until the state commission has determined that rate center consolidation is not a reasonable alternative.

Third, when a state commission determines that number pooling is required in an area, it must apply to all LNP-capable carriers in the area. Carriers in rural portions of the area that are not LNP-capable may be exempt until they are required to implement LNP. However, these rural carriers should be required to implement pooling simultaneously with LNP.

C. ILECS SHOULD RECOVER POOLING COSTS FROM END-USERS

At this time, CBT is unable to offer an estimate of the cost of implementing number pooling due to indefinite variables that exist. CBT submits that regardless of the magnitude of

costs ultimately incurred to implement number pooling, ILECs must be provided with a means to fully recover their implementation costs. Due to regulatory constraints, ILECs, as opposed to other carriers, do not have the flexibility to recover their pooling costs. As a result, any regulatory cost recovery scheme that limits the manner in which ILECs recover costs associated with pooling fails to be competitively neutral.

However, if the Commission rejects the arguments for a uniform recovery mechanism for all carriers, CBT submits that the Commission must at least develop an economically efficient cost recovery mechanism that does not distort the access charge system. Dismissal of an end-user charge for ILEC recovery of number pooling costs (NPRM at ¶204) would not be an economically defensible decision by the Commission. While CBT understands the Commission's concerns relative to end-user charges, the Commission must not allow this issue to drive all other decisions made by the Commission. In the competitive telecommunications marketplace, regulators must make decisions based on sound economic principles.

Number pooling costs are most appropriately recovered directly from end-users. Depletion of the NANP is the direct result of the increased demand for numbers to satisfy end-users' desire for additional lines for fax, Internet, cellular, broadband services, and other services. The increased demand for numbers is also driven by the introduction of competition, which benefits end-users. As a result, it is appropriate for pooling costs to be recovered directly from end-users because they receive the most benefits from number pooling. Specifically, since number pooling provides for more efficient allocation of numbers, consumers are less likely to be subject to frequent area codes splits and overlays.

If ILECs are required to recover their costs through their existing cost recovery mechanisms, additional subsidies will be added to access charges which will be in contradiction

with the Commission's present attempts to remove implicit subsidies contained within access charges. In order to avoid the creation of new subsidies in the access charge system, CBT submits that the ILECs should be allowed to recover their number pooling costs through an end-user charge. To avoid the imposition of a new charge, CBT recommends that this charge be added to the number portability end-user charge, and renamed a "numbering charge." Like carriers' number portability costs, carriers' pooling implementation costs should also be recovered over a five year period. Thus, the "numbering charge" would be a temporary charge to end-users. Assuming that number pooling will not apply to carriers that have not implemented number portability, all carriers implementing number pooling would have the existing number portability charge billing mechanisms in place, Thus, minimizing billing system changes.

With respect to the types of costs carriers will incur to implement number pooling, the Commission tentatively concludes that these costs should be classified as shared, carrier specific direct, and carrier specific indirect, which are essentially the same classifications used for number portability. (NPRM at ¶197) Furthermore, the Commission tentatively concludes that carriers should only be entitled to recover their shared costs and the carrier specific direct costs. The Commission would specify that carrier specific indirect costs would not be recoverable. (NPRM at ¶199) CBT's position on this matter remains the same as with number portability. In short, CBT maintains that ILECs must be allowed to recover all costs incurred with implementation of number pooling. This recovery would include the cost of upgrades and modifications that would not have been incurred if not for the number pooling requirement.

D. TEN-DIGIT DIALING SHOULD BE ENCOURAGED

CBT submits that in many areas ten-digit dialing can make a significant contribution to number optimization efforts, and supports a national policy in favor of ten-digit dialing. CBT itself has voluntarily moved to implement ten-digit dialing between its Ohio, Kentucky and Indiana exchanges during the first half of 2000 in order to free up more than 50 currently protected codes. CBT understands that many CLECs already require ten-digit dialing. As area code relief efforts continue throughout the country, CBT believes that ten-digit dialing will ultimately be necessary.

In spite of some customer resistance to ten-digit dialing, CBT submits that the temporary inconvenience and adjustment for customers must be weighed in light of the on-going customer confusion, frustration and inconvenience of constant area code splits. Although ten-digit dialing will take some adjustment on the part of consumers, in the long run it will benefit consumers. Currently, as NPA areas continue to shrink, consumers are subjected to numerous number changes. With ten-digit dialing, consumers won't be faced with the constant hassle of area code changes. Furthermore, as the areas continue to become smaller, the area code loses meaning to consumers. If an area code split were applied within a single community, it would not be realistic to expect customers to be able to differentiate between which parties they can call using seven digits versus parties that require ten digits. In such situations, ten-digit dialing and an area code overlay is the reasonable solution. CBT advises that a move to ten-digit dialing be pursued before this extreme situation arises.

Although other alternatives such as eight digit dialing, functional property codes, and expansion of the D-digit have been offered as potential number optimization measures, CBT believes that having a uniform dialing pattern is important for carriers and consumers alike. Consumers are already faced with the possibility of 7, 10 or 11 digit dialing for local calls depending on the area they are in. This confusion will only be exacerbated if still other dialing patterns could be introduced. A uniform national dialing pattern would alleviate these potential problems and yield substantial immediate benefits as a number optimization measure.

Since many carriers are already using ten-digit dialing and it is more readily understood than other alternatives, it would be easier to introduce ten-digit dialing as a uniform dialing pattern than the other alternatives which have been considered. (NPRM at ¶¶126-129) Furthermore, although ten-digit dialing will require many customers to dial a few extra digits, the three digit NXX code concept has meaning for customers and would not cause the confusion that a totally new pattern, such as eight digits might create.

IV. CONCLUSION

CBT supports the Commission's efforts to optimize the use of our numbering resources. CBT submits that while the Commission should establish standards for state commissions and the industry to follow, in most instances, the Commission should not establish rigid rules and regulations. These standards should be designed to efficiently utilize numbering resources and guide the states in adopting uniform solutions to the NPA exhaust problem while still allowing each state to properly assess when to deploy the solutions.

Respectfully submitted,

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